

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
(Northern Division)**

**NORTH AVENUE CAPITAL, LLC, et al.**

\*

*Plaintiffs,*

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**Civil Action 1:22-cv-03240-SAG**

**v.**

\*

**UNITED STATES OF AMERICA, et al.**

\*

*Defendants.*

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**PLAINTIFFS' FIFTH STATUS REPORT**

Plaintiffs, North Avenue Capital, LLC and Newtek Small Business Finance, LLC (collectively, "Plaintiffs"), by their undersigned counsel, submit this statement regarding the status of the case as requested by the Court. The Plaintiffs filed their last status report on April 18, 2024 (ECF 73) ("Fourth Status Report").

Since filing this action on December 15, 2022, Plaintiffs have served all the Defendants. Answers were filed by the United States of America (on behalf of its agency, the Internal Revenue Service) (ECF 50); the KORE Capital Corporation (ECF 29); and Legalist DIP GP, LLC, Legalist DIP SPV II, LP and Legalist DIP Fund I, LP (ECF 44). Don A. Beskrone, the Chapter 7 Trustee of the Moon Entities (the "Trustee"), filed a *Statement of Non-Party, Don A. Beskrone, Chapter 7 Trustee of Moon Group, Inc., et al.* (ECF 39).

Plaintiffs initiated this case to: (1) conduct judicial sales—without interference—of the assets of the Moon Entities that were abandoned by the Trustee; (2) obtain a judicial order determining the priority of the liens in the proceeds of the judicial sales; and (3) obtain a court order permitting the disbursement of the proceeds from the judicial sales of the Moon Entities'

assets in conformity with the priority of the liens. At this time, Plaintiffs do not request a scheduling order for the first phase (liquidation of the assets) of this lawsuit.

Sales of M&E have occurred in accordance with the Court's orders. The sales of M&E through the Ritchie Bros. auction sales have yielded proceeds as follows:

<b>Sale Date</b>	<b>Net Proceeds</b>
May 17-18, 2023	\$ 16,393.50
July 25-26, 2023	\$ 62,432.75 <sup>1</sup>
Sept. 27, 2023	\$ 1,777.00
Dec. 13-14, 2023	\$ 10,112.25
<b>Total</b>	<b>\$90,715.50</b>

The foregoing net proceeds of \$90,715.50 are being held in escrow by Mid-Maryland Title Company.

The inventory sale process commenced on November 2, 2023. The Plaintiffs have been advised that there has been interest expressed in certain of the Inventory, but notwithstanding the efforts of Pink Point Media LLC, no inventory has been sold to date. Inventory is not sold until it is harvested, and no inventory has been harvested thus far.

Plaintiffs anticipate that sales of M&E and inventory will continue in accordance with this Court's orders. Plaintiffs are continuing to discuss a potential sale of the real property to a third party. Plaintiffs are also evaluating various alternative sale procedures. The Plaintiffs intend to propose a sale procedure in accordance with 28 U.S.C. § 2001 to the Court.

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<sup>1</sup> Of these proceeds, \$62,342.75 were disbursed on August 17, 2023. Additional proceeds of \$90.00 were disbursed to the Title Company on August 24, 2023.

Once the assets are liquidated or if necessary in connection with a proposed sale procedure, Plaintiffs intend to request that the Court enter a scheduling order for briefing on the priority of liens and disbursement of the proceeds among the parties with deadlines set for the opening motion, oppositions, and any reply memorandums thereto.

Dated: June 17, 2024.

Respectfully Submitted,

/s/ Lisa Bittle Tancredi

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*Counsel to North Avenue Capital, LLC*

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*Counsel to Newtek Small Business Finance, LLC*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on June 17, 2024, copies of the foregoing Status Report were filed via CM/ECF and served by first-class mail, postage prepaid upon:

Cecil County Department of Finance  
**SERVE ON:**  
Shon McCollum  
Director of Finance  
County Administrative Building, Suite  
1100  
200 Chesapeake Blvd.  
Elkton, Maryland 21921

Moon Group, Inc.  
**SERVE ON:**  
Resident Agent:  
Corporation Service Company  
251 Little Falls Drive  
Wilmington, Delaware 19808

J. Frank Schmidt & Sons, Co.  
**SERVE ON:**  
Resident Agent:  
Raymond Richard Kerr  
9500 SE 327<sup>th</sup> Ave  
Boring, Oregon 97009

Moon Landscaping, Inc.  
Moon Nurseries, Inc.  
Moon Site Management, Inc.  
Moon Wholesale, Inc.  
Rickert Landscaping, Inc.  
**SERVE ON:**  
John D. Pursell, JR in his capacity as  
President  
145 Moon Road  
Chesapeake City, Maryland 21915

Ross Capital Partners, LLC  
**SERVE ON:**  
Registered Agent:  
GB Registered Agents, Inc.  
47 W. Belmont Drive,  
Hockessin, Delaware 19707

Angela M. Pursell  
145 Moon Road  
Chesapeake City, Maryland 21915

Padco Financial Services, Inc.  
**SERVE ON:**  
Resident Agent:  
Padco Financial Services, Inc.  
c/o James F. Padden  
31713 S Ashland Ave  
Beecher, Illinois 60401

U.S. Small Business Administration  
**SERVE AT:**  
2 North 20<sup>th</sup> Street, Suite 320

Ailco Equipment Finance Group, Inc.  
**SERVE ON:**  
Resident Agent:

Birmingham, Alabama 35203

**AND**

Office of General Counsel, U.S. Small  
Business Administration  
409 Third Street, SW  
Washington, D.C. 20416

Ailco Equipment Finance Group, Inc.  
c/o Scott Meinerz  
W222N833 Cheaney Rd.  
Waukesha, WI 53186-168819801

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145 Moon Road  
Chesapeake City, Maryland 21915

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/s/ Chukwukpee Nzegwu  
Chukwukpee Nzegwu (Bar No. 21730)